

DEPARTMENT OF JUSTICE
INTEROFFICE MEMO

DATE: 05/28/2019

FROM: **Ex. 6 PP / Ex. 7(C)**

CASE: 137425 / FF1703-19
Solopower, Inc.

SUBJECT: Initial Case Overview

FOCUS: Financial Responsibility

RELEVANT TIMEFRAME:

Opened in Portland 2012
Suspended operations 2013
Closed June 2018

PARTIES:

Parent Company	SoloPower Holdings, Inc. (used interchangeably with Solopower, Inc.)
Operating company	Solopower, Inc.
Principal Investor	Hudson Clean Energy

Due to the complexity of this case and the fluidity of the company names I will be using SoloPower, Inc., to reference all materials regarding the establishment and subsequent closure of the facility in Oregon.

RELATED PERSONS:

Except for the original company, Solopower, Inc., incorporated 09/09/2005, all other iterations list the same related persons. Some company names, such as Solopower Holdings, Inc., are referenced in SEC filings as incorporated in Delaware, but not found in the Delaware SOS business listings. These companies cross-reference each other and their principal officers in all SEC filings, Oregon application forms, agreements, and contracts.

For a full list of company names and related persons please see attached [[HYPERLINK "PCDOCS://JUSTICE/9539047/R"](#)], tabs 3 and 4.

FINANCIALS:

Without bank records it is impossible to account for all the income and outlay regarding SoloPower, Inc., however, the high-profile nature of the

company does provide the visibility needed for a broad overview of the accounting.

Cash income 2011 – 2018

Oregon \$28,454,000.00

This reflects verified cash outlay; including the sale of a \$20m BETC to Walmart for \$13,454.000

Outside Oregon \$494,156,156.00

This includes stock sales and government loans.

This **does not** include the Oregon investments or the \$59,658,632 of SoloPower, Inc.. notes and warrants sold to purchase series E-3 and series C Preferred Stock of SoloPower Holdings Inc., during the same period.

(Notes/warrants are a derivative, reliant on an underlying asset [think equipment] which conveys the right to buy or sell a security at a certain price before expiration.)

Related persons on these sales are associated with both companies; this movement of funds amounts to little more than internal sleight of hand.

For a complete list of Financials see attached [[HYPERLINK](#) "PCDOCS://JUSTICE/9539047/R"], tab 1.

OVERVIEW:

Ex. 5 Deliberative Process (DP)

As early as January 2013 industry analysts were skeptical; prices for Copper Indium Gallium Selenide (CIG) solar panels plummeted 17 fold from their high in 2011. With government subsidies Chinese manufacturers were able to produce more for less and with greater efficiency.

Ex. 5 Deliberative Process (DP)

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Ex. 5 Deliberative Process (DP) The production equipment for Portland was purchased in Germany, shipped to Houston on a U.S. – Flagged vessel then trucked to Portland on oversized trucks. **Ex. 5 Deliberative Process (DP)** It is difficult to calculate how the 3.8m improvements made to 6308 N. Marine Drive in 2013 amounted to 340m as reported in news outlets.

It is clear the principals were aware of impending closure in early 2012; all were gone by early 2013. **Ex. 5 Deliberative Process (DP)**

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Ex. 5 Deliberative Process (DP) Dilution occurs when a company issues new stock which results in a decrease of an existing stockholder's ownership percentage of that company. Dilution can also occur when holders of stock options exercise those options. When the number of shares outstanding increases, each existing stockholder owns a smaller, or diluted, percentage of the company, making each share less valuable. **Ex. 5 Deliberative Process (DP)**

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Ex. 5 Deliberative Process (DP) Between 2010 and 2012 Solopower filed 6 times with the SEC for stock offerings, (sale of stock to release debt). **Ex. 5 Deliberative Process (DP)**

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To file with the SEC and as a requirement of both the SELP and BETC assistance programs Solopower had to present valid insurance. It is worth noting the Department of Energy has only one certificate of insurance produced by Solopower; valid 12/2012 – 12/2013.

Ex. 5 Deliberative Process (DP)

1. *The Oregonian "Solopower rolls out flexible solar panels in Portland plant opening" 9/27/2012*